GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:270
ANSWERED ON:19.12.2003
FRAUDS IN BANKS
RAVINDRA KUMAR PANDEY

Will the Minister of FINANCE be pleased to state:

(a) the State-wise number of cases of corruption amongst the employees of public sector banks caught by the CBI during the last three years; and

(b) the steps taken by the Government for eradication of corruption from banks?

Answer

FINANCE MINISTER (SHRI JASWANT SINGH)

(a) & (b): A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA STARRED QUESTION NO. 270 FOR 19t DECEMBER 2003 BY SHRI RAVINDRA KUMAR PANDEY REGARDING FRAUDS IN BANKS.

(a) : Central Bureau of Investigation (CBI) has informed that during the last three years i.e.2001, 2002 & 2003 (upto 30.11.2003), it has registered the following State-wise number of cases against the employees of Public Sector Banks:

State/UT	2001	2002	2003
Andhra Pradesh	10	14	18
Assam	1	1	3
Bihar	3	1	3
Chandigarh	0	2	0
Delhi	7	16	12
Goa	1	2	0
Gujarat	7	7	2
Haryana	0	1	6
Himachal Pradesh	0	0	2
Jammu & Kashmir	2	1	1
Jharkhand	1	4	6
Karnataka	7	16	12
Kerala	5	12	13
Madhya Pradesh	7	4	5
Maharashtra	5	12	22
Manipur	1	1	1
Orissa	6	4	5
Punjab	2	5	8
Rajasthan	5	8	7
Tamil Nadu	14	20	25
Uttar Pradesh	5	15	10
Uttaranchal	2	0	0
West Bengal	22	13	9

(b) : Reserve Bank of India (RBI) has instructed banks from time to time to strengthen the vigilance set up and introduce preventive and prohibitive measures. The function of vigilance system is reviewed during the course of onsite inspection. RBI as a part of its supervisory responsibility has been advising banks about common fraud prone areas and the measures to be taken by them to prevent/ reduce the incidence of frauds including frauds in computerized environment in banks which includes introduction of a system of concurrent audit; monitoring of working of internal inspection and audit machinery at the top most level in banks; clear demarcation of duties and responsibilities of employees; periodical rotation of staff; prompt disciplinary action; intensive screening of candidates at the time of recruitment; implementation of recommendations of Mitra Committee, etc.